with reference to the purchase price of plant and machinery. The maximum limit of eligible loan for calculation of capital subsidy under this Scheme has also been raised from Rs. 40 lakh to Rs. 100 lakh.

(c) The revised guidelines prescribed for availing of subsidy under the CLCSS, *inter alia,* include the following:

(i) Subsidy at the revised rate of 15 per cent of the eligible investment in plant and machinery under the Scheme is available only for those beneficiary units, where term loans have been sanctioned by the eligible Primary Lending Institutions on or after September 29, 2005.

(ii) Units availing of subsidy under the CLCSS cannot avail of any other subsidy for technology upgradation from Central/State/UT Government. However, cases covered under National Equity Fund Scheme, which are otherwise eligible under CLCSS, can be covered under this scheme.

(iii) Units in the North Eastern Region which are availing of financial incentives/subsidy under any scheme of the Government in the region are also eligible for subsidy under the CLCSS.

(iv) Replacement of existing equipment/technology with the same equipment/technology does not qualify for subsidy benefit under CLCSS. This Scheme is also not applicable to units upgrading their technology with second-hand machinery.

(d) 74 SSI Unit in the State of Andhra Pradesh have so far availed of benefits under the CLCSS since its inception.

**Grouping of Industries**

1029. PROF. R.B.S. VARMA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the rationale behind the latest policy of Government to group small scale industries with medium scale industries (SMEs), thereby hoping that small would automatically graduate to medium;

(b) in what way Government presume that small scale industries would graduate to medium scale, by grouping the two categories together;

(c) what incentives are small scale industries being given to graduate to medium scale;

(d) what steps Government are taking to allay the fears of small scale manufacturers that this policy would allow the bigger industrialists to take away major benefits and incentives being given by Government; and

(e) whether Government plan to review this policy?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) In the Small and Medium Enterprises Development (SMED) Bill, 2005 introduced in the Lok Sabha during in its last Budget session, the concept of Small and Medium Enterprises (SME) has been proposed. The rationale behind grouping small and medium enterprises in the framework of the Bill is as follows:—

(i) In his Budget speeches for 2004-05 and 2005-06, the Finance Minister has referred to the need for adopting the concept of small and medium enterprises.

(ii) The Department related Parliamentary Standing Committee on Industry, in its 153rd report on the demands for grants (2004-05), endorsed *inter alia* the growing feeling that "India should also adopt the SME concept".

(iii) Globally, small and medium enterprises are treated as a continuum.

(iv) Small and medium enterprises have more in common with each other than either have with large enterprises and, hence, the need to provide a common legal framework for them.

(v) In a dynamic economy as ours, some small enterprises do grow into medium enterprises overtime.

(b) The Central Government is of the view that a common legal framwork (as in the SMED Bill) and the policy and programmes initiatives to flow therefrom may help small enterprises to grow into medium enterprises overtime.

(c) Though promotion and development of small enterprises, including small scale industries, is the primary responsibility of State Government/ Union Territory (UT) Administrations, the Central Government implements a number of schemes and programmes to complement the efforts of the State/UTs in assisting the small enterprises. Such assistance may also help some small enterprises to grow into medium ones.

(d) The SMED Bill, 2005 does not discriminate against small scale manufacturers nor does it contain any provision to enable medium enterprises to take away any benefits or incentives given to small manufacturing enterprises.

(e) The Central Government does not think it necessary to review the concept of SME as proposed in the SMED Bill, 2005.

**SME Bill**

1030. PROF. R.B.S. VARMA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Small and Medium Entrerprises (SME) Bill which was ready in 2002, has not been passed;

(b) if so, what are the reasons for the delay;

(c) whether raising the investment limit to Rs. 5 crore would help only 1 per cent of the SSIs as 98 per cent of SSIs are less than Rs. 10 lakh worth;

(d) the steps to be taken by Government for the benefit of SSIs with worth less than Rs. 10 lakh;

(e) the reasons for which the term 'tiny' is missing form the SME Bill;

(f) whether Government are not concerned with the problem of the tiny industries; and

(g) the plans of Government to help the unviable and sick SSIs?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) and (b) The Central Government approved the Small and Medium Enterprises Development (SMED), Bill 2005 on 4th May 2005 and the Bill was introduced in the Lok Sabha on 12th May 2005. There has been no delay in introducing the Bill in its present from.

(c) and (d) Classification of small manufacturing enterprises, including small scale industries, in the SMED Bill as enterprises with investment in plant and machinery not exceeding Rs. 5 crore aims at helping all small enterprises, irrespective of their investment. The Bill seeks to extend benefits to all segments of small enterprises.